



SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION

227 West Jefferson Boulevard, South Bend, Indiana

AGENDA

Scheduled Meeting, December 11, 2023

BPW Conference Room 13th Floor or via:

<https://tinyurl.com/EDC12112023>

11:00 am

- 1. ROLL CALL**
- 2. ELECTION OF OFFICERS**
- 3. APPROVAL OF MINUTES**
- 4. NEW BUSINESS**
 - A. PRESENTATION OF MONREAUX PROJECT**
 - B. PROJECT REPORT**
- 5. PUBLIC HEARING ON MONREAUX PROJECT**
- 6. RESOLUTION NO. 2023-1 MAKING FINDINGS RELATING TO THE FINANCING OF CERTAIN LOCAL PUBLIC IMPROVEMENTS TO SERVE ECONOMIC DEVELOPMENT FACILITIES, APPROVING SUCH FINANCING AND FORM OF LOAN AGREEMENT RELATED THERETO**
- 7. ADJOURNMENT**



CITY OF SOUTH BEND

ECONOMIC DEVELOPMENT COMMISSION

SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION

November 9, 2022

via:

http://tiny.cc/EDC_

The South Bend Economic Development Commission was called to order at 4:00 pm

1. Roll Call

Members Present: Cecilia Lopez Monterrosa, President
Rafael Morton, Vice-President
Renata Matousova, Secretary
Luis Zapata, Commissioner

Members Absent: Karen White, Commissioner

Staff: Sandra Kennedy, Esq.
Julie Wisner,
Mary Brazinsky, Board Secretary

Others Present: Caleb Bauer, Interim Director DCI
Sean Peterson
Mark Turner, SBCC
Lisa Lee, Ice Miller
Jordan Smith, SBT

2. Election of Officers

Cecilia Lopez Monterrosa was nominated as President of the South Bend Economic Development Commission by Renata Matousova Seconded by Luis Zapata. The Commission voted unanimously for this election.

Rafael Morton was nominated as Vice-President of the South Bend Economic Development Commission by Cecilia Lopez Monterrosa; Renata Matousova Seconded the Nomination. The Commission voted unanimously for this election.

Cecilia Lopez Monterrosa Nominated Renata Matousova for Secretary of the South Bend Economic Development Commission. Luis Zapata Seconded the Nomination. The Commission voted unanimously for this election.

3. New Business

A. Minutes

Minutes 11.22.21

Upon a motion by Renata Matousova, Secretary and seconded by Luis Zapata, Commissioner the motion carried unanimously, the Commission approved the minutes of November 22, 2021, on November 9, 2022.

B. Resolution No. 2022-1 (Electronic Meeting Participation)

Ms. Sandra Kennedy Presented Resolution No. 2022-1 (Electronic Meeting Participation). This resolution follows the open-door law and applies to the Commission and any appointed members. This allows participating members to join virtually and stipulates at least 50% of the members must be physically present at the meetings.

Upon a motion by Rafael Morton, Vice-President and seconded by Luis Zapata, Commissioner the motion carried unanimously, the Commission approved Resolution No. 2022-1 Electronic Meeting Participation on November 9, 2022.

C. Resolution No. 2022-2 (SBCC)

Mr. Caleb Bauer Presented Resolution No. 2022-2 (SBCC). Consideration was given to a request by The South Bend Chocolate Company, Inc. ("SBCC"), the Indiana Dinosaur Museum Inc. ("IDM"), or an affiliate of either (SBCC, IDM and any applicable affiliate of either are herein collectively, the "Borrower") for the issuance and funding of the City's Taxable Economic Development Revenue Note, Series 2022 ("Series 2022 Note") for financing the development, construction, renovation, and equipping of three (3) buildings totaling approximately 90,434 square feet of attraction, retail, restaurant, visitor center and tour-able chocolate factory space on real estate commonly known as 24762 and 24820 U.S. Highway 20, South Bend, Indiana 46628, along with its surrounding acreage to create a year-around attraction and destination for City residents and visitors and to support the development of Continental Divide Trail, all on the City's westside (collectively, "Project"), in or physically connected to the River West Development Area and the River West Development Area Allocation Area No. 1 (collectively, "Area"). A discussion was had as to the proposal of the Borrower for the issuance and funding of the Series 2022 Note to finance the Project to be located generally on real

estate commonly known as 24762 and 24820 U.S. Highway 20, South Bend, Indiana 46628, along with its surrounding acreage.

The President then presented a proposed report of the city entitled "Project Report of the South Bend Economic Development Commission concerning the issuance and funding of the Taxable Economic Development Revenue Note, Series 2022 for the Proposed Project to Serve Economic Development Facilities for The South Bend Chocolate Company, Inc., the Indiana Dinosaur Museum Inc., or an Affiliate of Either," as attached.

Proof of the publication notice was provided. The public was invited to comment or attend. No comment was offered, and no members of the public were present.

Upon a motion by Cecilia Lopez Monterrosa, President and seconded by Renata Matousova, Secretary the motion carried unanimously, the Commission approved Resolution No. 2022-2 (SBCC) on November 9, 2022.

4. Adjournment

The meeting adjourned at 4:52 p.m.

Rafael Morton, Vice-President

Renata Matousova, Secretary

LOAN AGREEMENT

BETWEEN

DELTA VENTURES LTD.

AND

CITY OF SOUTH BEND, INDIANA

Dated as of December 1, 2023

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LOAN AGREEMENT

This is a LOAN AGREEMENT dated as of December 1, 2023 ("Loan Agreement") between DELTA VENTURES LTD., an Indiana Nonprofit Corporation duly organized and existing and authorized to do business under the laws of the State of Indiana, under common control with Monreaux LLC ("Borrower"), and the CITY OF SOUTH BEND, INDIANA ("City"), a municipal corporation duly organized and validly existing under the laws of the State of Indiana.

PRELIMINARY STATEMENT

WHEREAS, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, "Act"), has been enacted by the General Assembly of Indiana.

WHEREAS, the Act provides that a municipal corporation may, pursuant to the Act, make direct loans to users or developers for the cost of acquisition, construction, or installation of economic development projects, including the construction of site work and infrastructure improvements ("Local Public Improvements") needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI on certain real estate acquired by the Borrower with an overall investment of approximately \$13,700,000 ("Development"), on certain real estate acquired by the Borrower as set forth on Exhibit B attached hereto, together with all necessary appurtenances, related improvements and equipment, with such loans to be secured by the pledge of secured or unsecured debt obligations of the Borrower to enhance revitalization efforts, increase the level of diversification of the tax base, promote economic development and job opportunities, and enhance the City's efforts to create a vibrant and active residential and business community; and

WHEREAS, the South Bend Redevelopment Commission ("Commission") has established the River West Development Area ("Area") and the River West Development Allocation Area No. 1 ("Allocation Area") and adopted an economic development plan, as amended (collectively, as amended, "Plan") for the Area pursuant to a declaratory resolution, as amended to date, and as confirmed by a confirmatory resolution, as amended to date (collectively, "Area Resolution").

The Plan contained specific recommendations for economic development in the Area, and the Area Resolution established the Allocation Area in accordance with IC 36-7-14-39 for the purpose of capturing the TIF Revenues (as hereinafter defined).

The City, upon finding that the Local Public Improvements needed to serve the Development (hereinafter, collectively, "Project") and the proposed financing of the construction thereof will create additional employment opportunities in the City; will benefit the health, safety, morals, and general welfare of the citizens of the City and the State of Indiana; will enhance revitalization efforts; will increase the level and diversity of the tax base; will enhance efforts to

create a vibrant and active residential and business community; and will comply with the purposes and provisions of the Act, adopted an ordinance approving the proposed financing.

In order to induce the Borrower to complete the Project, the City intends to issue and fund the forgivable Taxable Economic Development Revenue Note, Series 2023 ("Series 2023 Note") in an amount not to exceed \$2,300,000 pursuant to the provisions of this Loan Agreement, and loan the proceeds of the Series 2023 Note, on a forgivable basis, to the Borrower to finance a portion of the cost of the Project in or physically connected to the Area.

This Loan Agreement provides for the payment of the Series 2023 Note by the Borrower and further provides for the Borrower's repayment obligation to be evidenced by the Series 2023 Note, substantially in the form attached hereto as Exhibit A.

Subject to the further provisions of this Loan Agreement, the loan will be payable solely out of the payments to be made by the Borrower (if any) on the Series 2023 Note.

In consideration of the premises, the forgivable loan, the acceptance of the Series 2023 Note by the City, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, the Borrower has executed and delivered this Loan Agreement.

This Loan Agreement is executed upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness hereunder (unless the 2023 Note is forgiven pursuant to Section 3.1 hereof) and shall keep, perform and observe all and singular the covenants and promises expressed in the Series 2023 Note, and this Loan Agreement to be kept, performed and observed by the Borrower, then the Series 2023 Note shall be forgiven by the holder of the Series 2023 Note.

The Borrower and the City hereby covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND EXHIBITS

Section 1.1. Terms Defined. As used in this Loan Agreement, the following terms shall have the following meanings unless the context clearly otherwise requires:

"Act" means, collectively, Indiana Code 36-7-11.9 and -12, and any successor provisions of the Indiana Code or successor codes.

"Affidavit of Completion" means a written certificate of the Borrower stating that the Project has been completed and is ready for use.

"Allocation Area" means the River West Development Area Allocation Area No. 1.

"Area" means the River West Development Area.

"Authorized Representative" means any officer of the Borrower or any other person certified by an officer of the Borrower to be the Borrower's Authorized Representative and with

respect to the City means the Executive Director of the Department of Community Investment or any other person certified by the Mayor.

"Authorizing Resolution" means Resolution No. 3580 adopted by the South Bend Redevelopment Commission on November 20, 2023, authorizing the use of TIF Revenues on hand or to be on hand to fund the Series 2023 Note.

"Bond Counsel" means a nationally recognized firm of municipal bond attorneys acceptable to the City and the Borrower.

"Borrower" means Delta Ventures Ltd., an Indiana Nonprofit Corporation duly organized and existing and authorized to do business under the laws of the State of Indiana, or any successors and/or assigns thereto permitted under Section 3.3 hereof and under common control with Monreaux LLC.

"Business Day" means any day other than a Saturday, Sunday or holiday, on which commercial banks in the City are open for conducting substantially all of their banking activities.

"City" means South Bend, Indiana, or any successor thereto or assign thereof.

"Commission" means the South Bend Economic Development Commission.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state, and, without limitation, may include legal counsel for either the City or the Borrower.

"Development" shall have the meaning set forth in the Project definition below.

"Development Agreement" means the agreement dated November 20, 2023 by and between the City of South Bend, Department of Redevelopment, acting by and through its governing body, the South Bend Redevelopment Commission and The Monreaux LLC, an Indiana Limited Liability Company, with offices at 1335 Pyle Avenue, South Bend, Indiana 46615, and Delta Ventures Ltd., an Indiana Nonprofit Corporation with offices at 1335 Pyle Avenue, South Bend, Indiana 46615.

"Guaranty Agreement" means the agreement of Monreaux LLC to guarantee the payment of the Series 2023 Note, to the extent the Series 2023 Note is not forgiven pursuant to the Loan Agreement.

"Loan" means the loan by the City to the Borrower.

"Mandatory Project Completion Date" means within thirty (30) months of the construction commencement date which construction commencement date shall commence within six (6) months of March 31, 2024 or such earlier or later closing date as may be agreed to in writing by the parties.

"Note" or "Notes" means the Series 2023 Note, and any other note executed by the Borrower in connection with the Series 2023 Note, and any notes issued in exchange therefor pursuant (and subject) to Section 3.7 hereof.

"Note Counsel" means Ice Miller LLP or another a nationally recognized firm of municipal bond attorneys acceptable to the City and the Borrower.

"Project" means the construction of site work and infrastructure improvements needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI on certain real estate acquired by the Borrower with an overall investment of approximately \$13,700,000 ("Development"), on certain real estate acquired by the Borrower as set forth on Exhibit B attached hereto, together with all necessary appurtenances, related improvements and equipment, all in or physically connected to the Area.

"Project Costs" with respect to the Project shall mean any and all costs permitted by the Act including, but not limited to:

(i) the "Note Issuance Costs," namely the reasonable third-party costs, fees and expenses incurred or to be incurred by the City in connection with the Loan, the reasonable fees of disbursements of the City's municipal advisor, application fees and expenses, publication costs, the filing and recording fees in connection with any necessary filings or recordings or to perfect the lien thereof, the out-of-pocket costs of the City, the reasonable fees and disbursements of Counsel to the City, the reasonable fees and expenses of Note Counsel, the costs of preparing or printing the Series 2023 Note and the documentation supporting the Loan, the costs of reproducing documents and any other costs of a similar nature reasonably incurred;

(ii) design costs and other expenses directly related to the construction and equipping of the Project;

(iii) the cost of insurance of all kinds that may be required or necessary in connection with the construction or equipping of the Project;

(iv) all costs and expenses which Borrower shall be required to pay, under the terms of any contract or contracts (including the architectural and engineering, development, and legal services with respect thereto), for the construction of the Project; and

(v) any sums required to reimburse the Borrower for advances made subsequent to the date the Series 2023 Note is funded for any of the above items or for any other costs previously incurred and for work done by Borrower which are properly chargeable to the Project.

"Redevelopment Commission" means the South Bend Redevelopment Commission.

"Series 2023 Note" means the Series 2023 Note of the Borrower in the aggregate maturity amount of \$2,300,000 in substantially the form attached hereto as Exhibit A which will be issued

and delivered by the Borrower to the City to evidence the Loan in the respective amounts due by the Borrower and any Note issued in exchange for the Series 2023 Note pursuant to Section 3.7 hereof.

"State" means the State of Indiana.

"TIF Revenues" means property tax proceeds on hand or to be on hand in the allocation fund for the Allocation Area from the assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1) as reduced by the credit provided for in IC 36-7-14-39.5 as such statutory provisions exist on the date of the issuance of the Series 2023 Note.

"Written Request" means a request in writing from an authorized representative of the party making the request.

Section 1.2. Rules of Interpretation. For all purposes of this Loan Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

(a) "This Loan Agreement" means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular and the singular as well as the plural.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as consistently applied.

(e) The terms defined elsewhere in this Loan Agreement shall have the meanings therein prescribed for them.

Section 1.3. Exhibits. The following Exhibits are attached to and by reference made a part of this Loan Agreement.

Exhibit A. Form of Series 2023 Note

Exhibit B. Description of Real Estate Acquired

(End of Article I)

ARTICLE II.

REPRESENTATIONS; LOAN OF TIF REVENUES

Section 2.1. Representations by City. The City represents and warrants that:

(a) The City is a municipal corporation duly organized and validly existing under the laws of the State. Under the provisions of the Act, the City has been authorized by action of its governing body to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder.

(b) The City agrees to make the Loan for the purpose of financing a portion of the construction of the Project for the benefit of the Borrower, to benefit the health, safety, morals and general welfare of the citizens of the City, increase economic well-being of the State, promote job opportunities and attract major new businesses.

Section 2.2. Representations by Borrower. Borrower represents and warrants that:

(a) The Borrower is an Indiana Nonprofit Corporation duly organized under the laws of the State of Indiana, validly exists and authorized to do business under the laws of the State of Indiana, is not in violation of any provision of its Articles of Incorporation, has not received notice and has no reasonable grounds to believe that it is in violation of any laws in any manner material to its ability to perform its obligations under this Loan Agreement and the Series 2023 Note, has the power to enter into and to perform its obligations under this Loan Agreement and the Series 2023 Note, and has duly authorized the execution and delivery of this Loan Agreement and the Series 2023 Note by appropriate corporate action.

(b) The Borrower anticipates creating up to approximately 8 full-time job opportunities. The Borrower and its affiliates shall cause a total investment of up to approximately \$13,700,000 in real and depreciable personal property (exclusive of land costs).

(c) All of the proceeds from the Series 2023 Note (including any income earned on the investment of such proceeds) provided to the Borrower will be used solely for Project Costs.

(d) The Borrower intends to develop, construct and operate or cause the Development to be developed, constructed and operated as an economic development facility under the Act until the expiration or earlier termination of this Loan Agreement as provided herein, unless the Borrower has sold or otherwise transferred the Development to a Surviving Corporation (as hereinafter defined) in accordance with Section 3.3 or assigned this Loan Agreement in accordance with Section 3.11 of this Loan Agreement.

(e) Neither the execution and delivery of this Loan Agreement, the consummation of the transactions contemplated hereby including execution and delivery of the Series 2023 Note nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, will contravene the Borrower's Articles of Incorporation or any law or any governmental rule, regulation or order presently binding on the Borrower or conflicts with or results in a breach of the terms, conditions or provisions of any agreement or instrument to which Borrower is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation

or imposition of any liens, charges, or encumbrances whatsoever upon any of the property or assets of Borrower under the terms of any instrument or agreement.

(f) The execution, delivery and performance by the Borrower of this Loan Agreement and the Series 2023 Note do not require the consent or approval of the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency, not previously obtained or performed.

(g) Assuming the due authorization, execution and delivery thereof by the other parties thereto, this Loan Agreement and the Series 2023 Note have been duly executed and delivered by the Borrower and constitute the legal, valid and binding agreements of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general.

(h) There are no actions, suits or proceedings pending, or, to the knowledge of the Borrower, threatened, before any court, administrative agency or arbitrator which, individually or in the aggregate, might result in any material adverse change in the financial condition of the Borrower or might impair the ability of the Borrower to perform its obligations under this Loan Agreement or the Series 2023 Note.

(i) No event has occurred and is continuing which with the lapse of time or the giving of notice would constitute an event of default under this Loan Agreement or the Series 2023 Note.

(j) Upon the Mandatory Project Completion Date, as evidenced by a written Certificate of Completion, to be delivered to the Controller, the Series 2023 Note will be forgiven.

Section 2.3. Series 2023 Note. Concurrently with the execution and delivery hereof, the City is authorizing the Loan to the Borrower and will fund the Loan upon execution of the Development Agreement. The Loan is being evidenced by the execution and delivery by the Borrower of the Series 2023 Note substantially in the form attached hereto as Exhibit A.

(End of Article II)

ARTICLE III.

PARTICULAR COVENANTS OF THE BORROWER

Section 3.1. Forgiveness of Payment of Loan. To the extent the applicable representation and condition in Section 2.2(j) is met, payment on the Series 2023 Note shall be forgiven immediately and the Series 2023 Note shall be considered paid and of no further force or effect. If the representation in Section 2.2(j) is not met, the Loan shall remain in effect and be payable upon the maturity date set forth in each Section 2023 Note.

Section 3.2. RESERVED.

Section 3.3. Continuing Existence and Qualification. The Borrower covenants that so long as any Series 2023 Note is outstanding, it: (a) will maintain in good standing its corporate existence and qualification to do business in the State; and (b) will not (1) dissolve or otherwise dispose of all or substantially all of its assets, and (2) consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided that the Borrower may, without violating its agreement contained in this Section, consolidate with or merge into another corporation or other entity, or permit one or more other corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer to another corporation or entity all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee entity (such corporation being hereinafter called the "Surviving Corporation") (if other than the Borrower) expressly accepts, agrees and assumes in writing to pay and perform all of the obligations of the Borrower herein and be bound by all of the agreements of the Borrower contained in this Loan Agreement to the same extent as if the Surviving Corporation had originally executed this Loan Agreement, and the Surviving Corporation is an Indiana corporation or is a foreign corporation or partnership, trust or other person or entity organized under the laws of one of the states of the United States and is qualified to do business in the State of Indiana as a foreign corporation or partnership, trust or other person or entity.

Section 3.4. Assignment, Sale or Other Disposition of Project. Until the Loan is repaid (or deemed forgiven) in full, any sale, lease or other disposition of the Development or any portion thereof is subject to the conditions of Section 3.11 hereof.

Section 3.5. Indemnity. The Borrower will pay, protect, defend, indemnify and save the City, the Commission and the Redevelopment Commission harmless from and against, all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the City), causes of actions, suits, claims, demands and judgments of any nature arising from or relating to the Project, provided, that the liability of Borrower under this Section 3.5 shall be limited to the amount of the Loan actually received by Borrower as of the date of the alleged breach of the terms of this Loan Agreement. If any proceeding is instituted for which indemnity may be sought under this Section 3.5, the party that may seek such indemnity shall notify the Borrower and the City in writing in a timely manner to allow the Borrower to defend any action or claim in such proceeding.

Section 3.6. Issuance of Substitute Notes. Upon the surrender of any Note, the Borrower will execute and deliver to the holder thereof a new Note dated the date of the Note being surrendered but with appropriate notations thereon to reflect payments of principal already paid

on such Note; provided, however, that there shall never be outstanding at any one time more than one Note of any one series.

Section 3.7. Payment of Expenses of Loan. The Note Issuance Costs (as defined under "Project Costs" in Article I hereof) will be paid by the Borrower on the date the first series of the Loan is funded.

Section 3.8. Reserved.

Section 3.9. Other Amounts Payable by the Redevelopment Commission. The Redevelopment Commission covenants and agrees to pay the following:

(a) All reasonable out-of-pocket costs incurred by the City incident to the payment of the Series 2023 Note as the same become due and payable.

(b) An amount sufficient to reimburse the City and Commission for all expenses reasonably incurred by the City under this Loan Agreement and in connection with the performance of its obligations under this Loan Agreement.

(c) All reasonable expenses incurred in connection with the enforcement of any rights under this Loan Agreement by the City.

Section 3.10. Completion of Project. The Borrower agrees that it will use reasonable efforts to cause to be made, executed, acknowledged and delivered any contracts, orders, receipts, writings and instructions with any other persons, firms, corporations or partnerships and in general do all things which may be requisite or proper, all for constructing and completing the Project, to the extent permitted by law, by the Mandatory Project Completion Date.

If the moneys comprising the Loan should not be sufficient to pay in full the costs of the construction of the Project, the Borrower agrees, for the benefit of the City and to fulfill the purposes of the Act, to use commercially reasonable efforts to cause the completion of the construction of the Project and to pay or cause to be paid that portion of the costs therefor as may be in excess of the moneys available therefor. The City does not make any warranty, either express or implied, that the moneys will be available for payment of the costs of the construction of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower shall not be entitled to any reimbursement therefor from the City, nor shall it be entitled to any diminution in or abatement or postponement of the amounts payable hereunder or under the Series 2023 Note.

Section 3.11. Sale, Substitution, or Lease of the Development; Assignment of Loan Agreement. The Borrower, subject to the written consent of the City (which consent shall not be unreasonably withheld), may sell, lease or transfer or otherwise dispose of the Project or any portion thereof only if the sale, lease or transfer or other disposition shall not relieve the Borrower from liability from all payments due under this Loan Agreement and the performance of all of the other obligations of this Loan Agreement, except as permitted by Section 3.4 hereof, unless the transferee accepts, agrees and assumes in writing to pay and perform all of the obligations of the Borrower herein and be bound by all of the agreements of the Borrower contained in this Loan Agreement to the same extent as if the transferee had originally executed this Loan Agreement.

(End of Article III)

ARTICLE IV.

EVENTS OF DEFAULT AND REMEDIES THEREFOR

Section 4.1. Events of Default. (a) The occurrence and continuance of any of the following events shall constitute an "event of default" hereunder:

(i) Failure of the Borrower to achieve and maintain the covenant set forth in Section 2.2(j) hereof; and

(ii) Failure of the Borrower to observe and perform any other covenant, condition or provision of this Agreement for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, given to the Borrower by the City, unless (i) the nature of the default is such that it cannot be remedied within the ninety (90) day period, (ii) the Borrower institutes corrective action within the ninety (90) day period and (iii) the Borrower diligently pursues such action until the default is remedied.

(b) Subject to the further provisions of this Article IV, during the occurrence and continuance of any event of default hereunder, the City or Borrower, as the case may be, shall have the rights and remedies hereinafter set forth in addition to any other remedies herein or by law provided:

(i) Acceleration. Solely if an event of default under Section 5.1(a)(i) of this Loan Agreement has occurred and is continuing, the City shall, by written notice to the Borrower, declare the principal of the Series 2023 Note due and payable, and upon any such declaration, the principal of the Series 2023 Note shall become and be immediately due and payable. The Borrower hereby acknowledges its obligation to repay upon default of Section 2.2(i) as set forth herein. This representation constitutes an agreement between the City and the Borrower that enhances or otherwise further secures the Series 2023 Note pursuant to IC 36-7-25-6 and shall be treated in the same manner as property taxes for real property owned by the Borrower or its affiliates, successors and assigns by merger or acquisition, for purposes of IC 6-1.1-22-13.

(ii) Right to Bring Suit, Etc. The City, with or without entry, personally or by attorney, may proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Series 2021 Note or this Loan Agreement, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the City shall deem most effectual to protect and enforce any of its rights or duties hereunder; provided, however that all reasonable costs incurred by the City under this Article shall be paid to the City by the Borrower on demand.

In the event of default by the City, the Borrower may proceed to protect and enforce its rights by a suit for the specific performance or any covenant or agreement contained in this Loan Agreement.

(iii) Waiver of Events of Default. If after any event of default occurs and prior to the City or Borrower exercising any of the remedies provided in this Loan Agreement, the Borrower or City, as the case may be, will have completely cured such default or the City or Borrower has waived such default, then in every case such default will be waived, rescinded and annulled by the City or Borrower by written notice given to the Borrower or City. No such waiver, annulment or rescission will affect any subsequent default or impair any right or remedy consequent thereon.

Section 4.2. Remedies Cumulative. No remedy herein conferred upon or reserved to the City or Borrower is intended to be exclusive of any other remedy or remedies provided herein. The remedies set forth in this Section are the sole and exclusive remedies of the City against Borrower under this Loan Agreement.

Section 4.3. Delay or Omission Not a Waiver. No delay or omission of the City or Borrower to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein.

Section 4.4. Waiver of Extension, Appraisement or Stay Laws. To the extent permitted by law, neither the Borrower nor the City will during the continuance of any event of default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; and the Borrower and City hereby expressly waive all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted to the City or Borrower, respectively, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 4.5. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

Section 4.6. Rights of the City. If there shall be pending proceedings for the bankruptcy or for the reorganization of the Borrower under the United States Bankruptcy Code or any other applicable law, or in case a receiver, trustee, or custodian shall have been appointed for the property of the Borrower, or in the case of any other similar judicial proceedings relative to the Borrower, or to the creditors or property of the Borrower, the City shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to the Loan Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the City allowed in such judicial proceedings relative to the Borrower, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby

authorized to make such payments to the City, and to pay to the City any amount due it for compensation and expenses, including reasonable counsel fees and expenses incurred by it to the date of such distribution.

Section 4.7. Waiver of Events of Default. If after any event of default shall have occurred under this Loan Agreement and prior to the City or Borrower exercising any of the remedies provided in this Article, the Borrower or City, as the case may be, shall have completely cured such default, such default may be waived at the discretion of the City or Borrower and, if so waived, shall be rescinded and annulled by the City or Borrower by written notice given to the Borrower or City, respectively.

Section 4.8. Limitation of Liability. The City agrees and acknowledges that Borrower's representations, warranties, covenants, agreements and performance obligations under this Loan Agreement are limited to and apply exclusively to the operations of Borrower at the Project site and any determination as to whether Borrower is in default of this Loan Agreement will be limited to Borrower's operations at the Project site.

Section 4.9. Force Majeure. A party will not be deemed to be in default or otherwise in violation of any term of this Loan Agreement to the extent such party's action, inaction or omission is the result of Force Majeure Event (as defined below). The City and Borrower agree to use commercially reasonable efforts to promptly resolve any Force Majeure Event that adversely and materially impacts their performance under this Loan Agreement. A force majeure event pauses a party's performance obligation for the duration of the event but does not excuse it. "Force Majeure Event" means any event or occurrence that is not within the control of such party or its affiliates and prevents a party from performing its obligations under this Loan Agreement, including without limitation, any act of God; pandemic; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies or labor through ordinary sources by reason of shortages or priority; labor strike, lockout or other labor or industrial disturbance (whether or not on the part of agents or employees of either party); civil disturbance; terrorist act; power outage; fire, flood, windstorm, hurricane, earthquake or other casualty; any law, order, regulation or other action of any governing authority; any action, inaction, order, ruling moratorium, regulation, statute, condition or other decision of any governmental agency having jurisdiction over the party hereto, over the Project or over a party's operations.

(End of Article IV)

ARTICLE V.

IMMUNITY

Section 5.1. Immunity. No covenant or agreement contained in this Loan Agreement shall be deemed to be a covenant or agreement of any member of the City, the Commission or the Redevelopment Commission or of any officer or employee of the City, the Commission, the Redevelopment Commission or their legislative and fiscal bodies in his or her individual capacity, and neither the members of the City, the Commission, the Redevelopment Commission nor any officer or employee of the City executing the Loan Agreement shall be liable personally on the Loan or be subject to any personal liability or accountability by reason of the Loan.

(End of Article V)

ARTICLE VI.

SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT

Section 6.1. Supplements and Amendments to this Loan Agreement. The Borrower and the City may from time to time enter into such supplements and amendments to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

(End of Article VI)

ARTICLE VII.

DEFEASANCE

Section 7.1. Defeasance. If the Loan is funded and repayment of the Series 2023 Note is forgiven pursuant to the terms of this Loan Agreement, then and in that case, all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Borrower, and the estate, right, title and interest of the City therein shall thereupon cease, terminate and become void; and this Loan Agreement, and the covenants of the Borrower contained herein, shall be discharged and the City in such case on demand of the Borrower and at its cost and expense, shall execute and deliver to the Borrower a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement, and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Borrower, all property, including money, then held by the City together with the Series 2023 Note marked paid or cancelled.

(End of Article VII)

ARTICLE VIII.

MISCELLANEOUS PROVISIONS

Section 8.1. Termination by Borrower. Borrower has the right to terminate this Loan Agreement for any reason or no reason by delivering notice to the City at least 5 business days prior to the desired termination date.

Section 8.2. Dispute Resolution. The Borrower and the City ("Parties") shall use their best efforts to resolve quickly and informally any disputes that could impede performance of the Parties' obligations under this Loan Agreement. If the Parties are not able to resolve a dispute through such informal efforts, the dispute shall be resolved by mediation in accordance with the Indiana Rules of Dispute Resolution. Such mediation shall be a condition precedent to a Party commencing litigation against the other Party. This Agreement shall be governed and construed in accordance with the laws of the State of Indiana, without giving effect to its conflict of law rules. Any litigation commenced by a Party related to or arising out of this Agreement must be filed in the state courts of St. Joseph County, Indiana. The Parties further consent to the personal jurisdiction by said courts over it and hereby expressly waive, in the case of any such action, any defenses thereto based on jurisdictions, venue or forum non conveniens.

Section 8.3. Confidentiality. Borrower acknowledges that portions of this Loan Agreement and the materials, communications, data and information related to this Loan Agreement may constitute public records subject to disclosure under the State's public records laws and agrees that the City may disclose such portions of this Loan Agreement and the materials, communications, data and information related to this Loan Agreement as required by law, provided that the City gives Borrower prior written notice sufficient (in no event less than 7 calendar days) to allow Borrower to review any request for public record and make a recommendation to the City concerning its response to any request for public records related to this Loan Agreement.

Section 8.4. Information Security. The City agrees to use reasonable physical and technical measures to maintain the security of all electronic and tangible records relating to this Loan Agreement.

Section 8.5. Loan Agreement for Benefit of Parties Hereto. Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, their successors and assigns and the holder of the Series 2023 Note, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns and the holder of the Series 2023 Note.

Section 8.6. Severability. If any one or more of the provisions contained in this Loan Agreement or in the Series 2023 Note shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein, shall not in any way be affected or impaired thereby.

Section 8.7. Limitation on Interest. No provisions of this Loan Agreement or of the Series 2023 Note shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Series 2023 Note provided for, or shall be adjudicated to be so provided for herein or in the Series 2023 Note, neither the Borrower nor its successors or assigns shall be obligated to pay such interest in excess of the amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any provisions of this Loan Agreement and the Note inconsistent with this provision.

Section 8.8. Addresses for Notice and Demands. All notices, demands, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, with proper address as indicated below. The City and the Borrower may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, demands certificates and communications to each of them shall be addressed as follows:

To the City: City of South Bend, Indiana
227 W. Jefferson Blvd, Suite 1400
South Bend, IN 46601
Attention: Executive Director of Community Investment

With a copy to: City of South Bend, Indiana
1200S County-City Building
227 W. Jefferson Blvd
South Bend, IN 46601
Attention: South Bend Legal Department

To the Redevelopment Commission: South Bend Redevelopment Commission
1400S County-City Building
227 W. Jefferson Blvd, Suite 1400
South Bend, IN 46601
Attention: Executive Director
South Bend Dept. of Community Investment

To the Borrower: Delta Ventures Ltd.
1335 Pyle Avenue
South Bend, IN 46615
Attention: Sophia Porter

With copy to: The Monreaux LLC
1335 Pyle Avenue
South Bend, IN 46615
Attn: Devereaux Peters

Mr. Gareth Kuhl
429 N. Pennsylvania Street, Suite 210
Indianapolis, IN 46204

Section 8.9. Successors and Assigns. Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Borrower, or by or on behalf of the City, shall bind and inure to the benefit of the respective successors and assigns, whether so expressed or not.

Section 8.10. Counterparts. This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 8.11. Governing Law. It is the intention of the parties hereto that this Loan Agreement and the rights and obligations of the parties hereunder and the Series 2023 Note and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of the State.

Section 8.12. Third-Party Beneficiary. The parties hereto acknowledge and agree that the terms of this Loan Agreement may be enforced by the Redevelopment Commission. The Redevelopment Commission shall be deemed to be a third-party beneficiary of this Loan Agreement. Except as provided in the foregoing sentence and as specifically set forth herein, nothing in this Loan Agreement is intended to confer any rights or remedies under or by reason of this Loan Agreement on any person or entity other than the parties hereto and their successors and permitted assigns.

(End of Article VIII)

IN WITNESS WHEREOF, the City has caused this Loan Agreement to be executed in its name by its authorized officers and has caused its corporate seal to be hereunto affixed, and the Borrower has caused this Loan Agreement to be executed in their names, all as of the date first above written.

DELTA VENTURES LTD.,
an Indiana nonprofit corporation

By: _____

Printed: Sophia Porter

Title: Director

THE MONREAUX LLC
an Indiana limited liability company

By: _____

Printed: Devereaux Peters

Title: Managing Member

CITY OF SOUTH BEND, INDIANA

By: _____
James Mueller, Mayor

By: _____
Kyle Willis, City Controller

ATTEST:

By: _____
Dawn Jones, City Clerk

ACKNOWLEDGED BY THE SOUTH BEND
REDEVELOPMENT COMMISSION, as Third-
Party Beneficiary

By: _____
Marcia I. Jones, President

Attest:

By: _____
Vivian Sallie, Secretary

This instrument prepared by Lisa A. Lee, Ice Miller LLP, One American Square, Suite 2900,
Indianapolis, Indiana 46282.

EXHIBIT A

FORM OF DELTA VENTURES LTD.
TAXABLE ECONOMIC DEVELOPMENT REVENUE NOTE
SERIES 2023 NOTE

Issue Date: December ____, 2023
Original Principal: \$2,300,000
Maturity Date: _____, 203__
Interest Rate: ____%

FOR VALUE RECEIVED, the undersigned, Delta Ventures Ltd. ("Borrower"), a nonprofit corporation incorporated and existing under the laws of the State of Indiana and authorized to do business under the laws of the State of Indiana, hereby promises to pay to the order of the City of South Bend, Indiana ("City"), in immediately available funds, the interest and principal due under the Loan Agreement, dated as of December 1, 2023, between the City and Borrower ("Loan Agreement"), upon maturity, to the extent all or a portion of the principal and interest payable under this Series 2023 Note is not forgiven pursuant to the Loan Agreement, at such place as the City may direct, in immediately available funds based upon the outstanding principal amount drawn on this Note, which shall not to exceed \$2,300,000. Pursuant to the Guaranty Agreement, Monreaux LLC promises to pay the interest and principal due under the Loan Agreement, upon maturity, to the extent all or a portion of the principal and interest payable under this Series 2023 Note is not forgiven pursuant to the Loan Agreement

In certain events and in the manner set forth in the Loan Agreement, payments due under this Series 2023 Note are entitled to forgiveness.

This Series 2023 Note is issued pursuant to the Loan Agreement, and is entitled to the benefits, and is subject to the conditions thereof. The Borrower's obligations under this Series 2023 Note are subject in all respects to the further provisions of the Loan Agreement.

This Note is the Note referred to in the Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions and provisions thereof, including those respecting prepayments.

In any case where the date of payment hereunder shall not be on a Business Day (as defined in the Loan Agreement), then such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and attested by its duly authorized officers or representatives.

Dated the Issue Date set forth above.

DELTA VENTURES LTD., an Indiana nonprofit corporation

By: _____

Printed: _____

Title: _____

EXHIBIT B

Description of Real Estate Acquired

Tax ID No. 018-3017-0628

Parcel Key No. 71-08-12-306-010.000-026

Legal Description: 132 Ft E End Lot 19 Martins Add

Commonly known as: 505 S. Michigan Street, South Bend, Indiana 46601

Tax ID No. 018-3017-0629

Parcel Key No. 71-08-12-306-011.000-026

Legal Description: N 44' Lot 20 Martins Add

Commonly known as: 507 S. Michigan Street, South Bend, Indiana 46601

Tax ID No. 018-3017-0631

Parcel Key No. 71-08-12-306-012.000-026

Legal Description: S 1-3 Lot 20 Martins Add

Commonly known as: 511 S. Michigan Street, South Bend, Indiana 46601

Tax ID No. 018-3017-0632

Parcel Key No. 71-08-12-306-013.000-026

Legal Description: Lot 21 & N 1/2 Vac Alley S & Adj Martins Add

Commonly known as: 513 S. Michigan Street, South Bend, Indiana 46601



CITY OF SOUTH BEND

ECONOMIC DEVELOPMENT COMMISSION

DATE: 12/7/23

FROM: Erik Glavich, Director, Growth & Opportunity

SUBJECT: Monreaux Project

PURPOSE OF REQUEST: Project Report and Resolution Approving Financing and Form of Loan Agreement

SPECIFICS: The Commission will consider two separate items: (1) a Project Report on the Monreaux Project and (2) a Resolution that would approve the form of a loan agreement.

The developer of the Monreaux Project would be provided a \$2.3 million forgivable economic development loan to support the construction of the 60-unit apartment development (known as the Monreaux). This project has been awarded Low Income Housing Tax Credits from the Indiana Housing and Community Development Authority and will provide 46 income-qualified affordable housing units and 14 market rate housing units.

This transformative development will revitalize the “Fat Daddy’s” site on the corner of Michigan and Monroe streets.

The forgivable loan would be funded utilizing Tax Increment Financing funds controlled by the South Bend Redevelopment Commission, but requires approval of Common Council, Redevelopment Commission, and Economic Development Commission in order to be issued.

The bond would be forgivable provided the development is completed within the required timeframes and private investment exceeds \$13.7 million.

PROJECT REPORT OF THE SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE ISSUANCE AND FUNDING OF THE TAXABLE ECONOMIC DEVELOPMENT REVENUE NOTE, SERIES 2023 (MONREAUX PROJECT) FOR THE PROPOSED LOCAL PUBLIC IMPROVEMENTS TO SERVE ECONOMIC DEVELOPMENT FACILITIES FOR DELTA VENTURES LTD.

The South Bend Economic Development Commission proposes to recommend to the Common Council of the City of South Bend, Indiana, that it issue and fund its Taxable Economic Development Revenue Note, Series 2023 ("Series 2023 Note") and loan the proceeds of the Series 2023 Note to Delta Ventures Ltd., an Indiana Nonprofit Corporation ("Borrower") and Monreaux LLC, which is under common control, to financing the construction of site work and infrastructure improvements ("Local Public Improvements") needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the hereinafter defined Redevelopment Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI (collectively, "Development"), on certain real estate acquired by the Borrower, at an investment of approximately \$13,700,000 for construction of the Local Public Improvements and the Development and create approximately 8 new full-time jobs, thus strengthening the economic well-being of the Area and encouraging additional growth by contributing to the revitalization of and adding vibrancy to the neighborhood; each in or physically connected to the River West Development Area and the River West Development Area Allocation Area No. 1 (collectively, "Area"). The Local Public Improvements and Development are located generally at 505, 507, 511 and 513 S. Michigan Street, South Bend, Indiana. Funds to be provided for the construction of a portion of the Local Public Improvements needed for the Development shall be from the issuance and funding of the Series 2023 Note, the proceeds of which will be loaned to the Borrower in an amount estimated not to exceed Two Million Three Hundred Thousand (\$2,300,000) without further approvals, including costs of issuance of the Series 2023 Note.

No other public facilities to be paid for by the government will be made necessary on account of the proposed Local Public Improvement and Development.

The estimated investment in the Development is \$13,700,000. It is also estimated that upon completion of the Local Public Improvements and the Development, the operation will create approximately 8 full-time jobs with a total estimated payroll of approximately \$266,240.

Adopted this 11th day of December, 2023.

SOUTH BEND ECONOMIC DEVELOPMENT
COMMISSION

President

Attest:

Secretary

Govt Public Notices

ment units on certain real estate acquired by RealAmerica, each in or physically connected to the River West Development Area and the River West Development Area Allocation Area No. 1, and each pursuant to forgivable loan agreements between the City Delta and RealAmerica, respectively (collectively, "Loan Agreements"). The funds to meet such additional appropriations are to be provided from TIF Revenues (as defined in the Loan Agreements) on hand or to be on hand, junior and subordinate to any currently outstanding bonds and any bonds issued in the future on a parity with any currently outstanding bonds, pledged by the Commission. You are invited to attend and participate in the public hearing.

The foregoing appropriation is in addition to all appropriations provided for in the existing budget and tax levy.

Taxpayers appearing at said meeting shall have the right to be heard in respect to said additional appropriation. Dated December 1, 2023.

SOUTH BEND REDEVELOPMENT COMMISSION
HSPAXLP 12/1/2023

SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION NOTICE OF PUBLIC HEARING

The City of South Bend ("City") Economic Development Commission ("Commission") will hold a public hearing at 11:00 a.m. on December 11, 2023, at the County City Building, 13th Floor, 227 West Jefferson Blvd, South Bend, Indiana or via: <https://tinyurl.com/EGC12112023>, regarding the funding of a forgivable loan to Delta Ventures Ltd., an Indiana Nonprofit Corporation ("Developer") and Monreux LLC, which is under common control, in the amount not to exceed \$2,300,000 ("Loan") to be evidenced by the Developer's promissory note ("Series 2023 Note") to finance the construction of site work and infrastructure improvements ("Local Public Improvements") needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the South Bend Redevelopment Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI, on certain real estate acquired by the Developer located generally at 505, 507, 511 and 513 S. Michigan Street, South Bend, Indiana, in or physically connected to the River West Development Area Allocation Area No. 1 and to consider whether making the Loan will have an adverse competitive effect on any similar facilities already constructed or operating in the City.

The Loan will be made by the City pursuant to IC 36-7-11.9, -12 and -14, and an ordinance adopted by the Common Council ("Loan Ordinance"). The Loan will be evidenced by the Series 2023 Note executed by the Developer and as otherwise provided in the Loan Agreement, dated December 1, 2023, between the City and the Developer and the Loan Ordinance.

The public hearing on the Local Public Improvements is being held pursuant to IC 36-7-12-24. The public is invited to attend and comment on any of the matters herein noted. Written comments may also be submitted to the Secretary of the Commission until 10:00 a.m. on December 11, 2023, by delivering such comments to Mary Brazinsky, Dept. of Community Investment, 227 West Jefferson Blvd., Suite 1400S, South Bend, Indiana, or by providing written comments at the hearing.

Dated: December 1, 2023.

HSPAXLP 1x 12/1/23

NOTICE TO TAXPAYERS OF
ADDITIONAL
APPROPRIATION
HEARINGS

State is hereby authorized for the
<https://indyuri.com/Redevelop-mentCommission>, to consider appropriations in an amount not to exceed: (A) \$2,300,000 to fund a forgivable loan to Delta Ventures Ltd., an Indiana Nonprofit Corporation ("Delta") and Monrooux LLC under common control, to finance the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the hereinafter defined Commission; and (ii) a minimum of sixty (60) total apartment units of which no

A RESOLUTION OF THE SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION MAKING FINDINGS RELATING TO THE FINANCING OF CERTAIN LOCAL PUBLIC IMPROVEMENTS TO SERVE ECONOMIC DEVELOPMENT FACILITIES, APPROVING SUCH FINANCING AND FORM OF LOAN AGREEMENT RELATED THERETO

RESOLUTION NO. 2023-1

WHEREAS, relieving conditions of unemployment, underemployment and encouraging economic development of the community through the construction of housing and affordable housing in or near the City are essential to the health, safety and welfare of the City of South Bend, Indiana ("City" or "Issuer") and its citizens;

WHEREAS, the City is authorized by IC 36-7-11.9 and -12 (collectively, "Act") to make direct loans to users or developers for the financing of economic development facilities or improvements to serve economic development facilities, consisting of the construction of site work and infrastructure improvements ("Local Public Improvements") needed to serve the redevelopment and development of: (i) a four-story building containing at least sixty-five thousand (65,000) square feet which will include the incorporation of the historic masonry features preserved by the hereinafter defined Redevelopment Commission; and (ii) a minimum of sixty (60) total apartment units of which no fewer than twenty-three (23) apartment units will be exclusively available for tenants at fifty percent (50%) or lower of the area median income ("AMI") and no fewer than an additional twenty-three (23) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of AMI (collectively, "Development"), on certain real estate acquired by the Borrower at an investment of approximately \$13,700,000 for construction of the Development and Local Public Improvements needed to serve the Development and creation of approximately 8 full-time jobs, thus strengthening the economic well-being of the Area and encouraging additional growth by contributing to the revitalization of housing and affordable housing to the neighborhood by the Borrower, in or physically connected to the River West Development Area and the River West Development Area Allocation Area No. 1 (collectively, "Area") to be used for the financing of the Local Public Improvements to serve the Development;

WHEREAS, pursuant to the Act, the financing and inducement of economic development facilities constitutes a public purpose;

WHEREAS, the Borrower has requested the City issue and fund its Taxable Economic Development Revenue Note, Series 2023 (Monreaux Project) ("Series 2023 Note") in an amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) ("Loan");

WHEREAS, the South Bend Economic Development Commission ("Commission") has studied the Local Public Improvements for the proposed financing of the Local Public Improvements need to serve the Development and the effects on the health and general welfare of the City and its citizens;

WHEREAS, the completion of the Local Public Improvements to serve the Development will result in the diversification of industry, the creation of jobs and the provision of housing and affordable housing which also creates additional business opportunities in the City, and will be of public benefit to the health, safety and general welfare of the City and its citizens;

WHEREAS, pursuant to and in accordance with the Act, the City desires to provide funds necessary to finance a portion of the Local Public Improvements to serve the Development by issuing the Series 2023 Note pursuant to the Loan Agreement;

WHEREAS, on November 20, 2023 the South Bend Redevelopment Commission adopted a resolution ("Pledge Resolution") pledging TIF Revenues on hand, junior and subordinate to any outstanding bonds payable from TIF Revenues and any bonds issued in the future on a parity with any outstanding bonds (as defined in the Pledge Resolution), to fund the Loan;

WHEREAS, the diversification of industry, the investment of approximately \$13,700,000, the creation of approximately 8 full-time jobs and the promotion of additional economic development opportunities to be achieved by the construction of the Local Public Improvements to serve the Development will be of public benefit to the health, safety and general welfare of the Issuer and its citizens;

WHEREAS, there has been submitted to the Commission for its approval a form of the loan agreement and the form of the proposed ordinance of the Common Council of the City ("Common Council") with respect to the Local Public Improvements and the Series 2023 Note ("Ordinance");

WHEREAS, pursuant to Indiana Code 36-7-12-24, as amended, the Commission published notice of a public hearing ("Public Hearing") on the proposed issuance and funding of the Series 2023 Note to finance a portion of costs of financing the Local Public Improvements to serve the Development;

WHEREAS, on the date hereof the Commission held the Public Hearing on the Local Public Improvements; and

WHEREAS, no member of the Commission has any pecuniary interest in any employment, financing agreement or other contract made under the provisions of the Act and related to the Series 2023 Note authorized herein, which pecuniary interest has not been fully disclosed to the Commission and no such member has voted on any such matter, all in accordance with the provisions of Indiana Code 36-7-12-16;

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH BEND ECONOMIC DEVELOPMENT COMMISSION, THAT:

Section 1. The Commission has conducted a public hearing and considered any and all evidence and comments provided, and the Commission hereby finds, determines, ratifies and confirms that the financing of the Local Public Improvements to serve the Development referred to in the hereinafter defined Loan Agreement; and the issuance and funding of the Series 2023 Note to pay a portion of the costs of the Local Public Improvements to serve the Development: (i) will result in the diversification of industry, the provision of housing and affordable housing which

also creates additional business opportunities within the jurisdiction of the City; (ii) will serve a public purpose, and will be of benefit to the health and general welfare of the City; (iii) complies with the purposes and provisions of the Act and it is in the public interest that the City take such lawful action as determined to be necessary and desirable to encourage the diversification of industry, the provision of housing and affordable housing which also creates additional business opportunities, within the jurisdiction of the City; and (iv) will not have a material adverse competitive effect on any similar facilities already constructed or operating in or near the City.

Section 2. The City shall fund the Loan to the Borrower in an amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000), payable as set forth in Section 2.2 of the Loan Agreement. To the extent the representation in Section 2.2 of the Loan Agreement is met, payment on the Loan shall be forgiven as described therein. The Series 2023 Notes shall accrue interest at a rate not to exceed five (5.0%) percent per annum. The Series 2023 Note shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the City. The Series 2023 Note shall not be subject to optional redemption prior to maturity.

Section 3. The Commission hereby approves the terms of the following documents in the form presented at this meeting: (i) a form of Loan Agreement between the City and the Borrower with respect to the Local Public Improvements (including the form of the Series 2023 Note), dated as of December 1, 2023 ("Loan Agreement"); (ii) the form of ordinance to be presented to the Common Council ("Ordinance") authorizing the issuance and funding of the Series 2023 Note and providing for the terms thereof. The forms of Loan Agreement and Ordinance presented herewith are hereby approved, with any and all such changes as may be deemed necessary, desirable or appropriate by the Mayor, the Controller or any other officer of the City.

Section 4. The Commission hereby approves the report with respect to the Local Public Improvements presented at this meeting. The Secretary of the Commission shall submit such report to the executive director or chairperson of the South Bend Plan Commission.

Section 5. The Commission hereby finds and determines that the issuance of the Series 2023 Note in an amount not to exceed Two Million Three Hundred Thousand Dollars (\$2,300,000) to the Borrower for the construction of a portion of the Local Public Improvements will each serve the public purposes referred to above, in accordance with the Act.

Section 6. The economic development facilities will consist of the Local Public Improvements to be located generally at 505, 507, 511 and 513 S. Michigan Street, South Bend, Indiana, and served by the Local Public Improvements to serve the Development.

Section 7. It has considered whether the Local Public Improvements will have an adverse competitive effect on any similar facilities already under construction or in operation in the City, and now makes the following special findings of fact based upon the evidence presented:

(a) No member of the public or competitor presented any evidence of substantial probative value establishing that the Local Public Improvements to serve the Development would have any adverse competitive effect in any respect; and

(b) In the absence of any evidence of substantial probative value of any adverse competitive effect, the benefits to the public from the new jobs and payroll to be generated by the Local Public Improvements, demonstrate that the Local Public Improvements should be supported by the making of the Loan.

Section 8. Any officer of the Commission is hereby authorized and directed, in the name and on behalf of the Commission, to execute any and all other agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by him or her necessary or desirable in order to carry out and comply with the intent, conditions and purpose of this resolution (including the preambles hereto and the documents mentioned herein), the Local Public Improvements, the Development, the issuance and funding of the Series 2023 Note, and any such execution, performance, approval or doing of other things heretofore effected be, and hereby is, ratified and approved.

Section 9. The Secretary of the Commission shall transmit a copy of this resolution, together with two (2) copies of the forms of Loan Agreement and Ordinance approved by this resolution, to the Clerk for presentation to the Common Council with the recommendation that the Common Council adopt the proposed form of Ordinance approving the issuance and funding of the Series 2023 Note and the Loan Agreement in their substantially final forms as hereby recommended.

Section 10. The Secretary shall initial and then insert a copy of the forms of documents approved by this Resolution in the minute book of this Commission.

Adopted this 11th day of December, 2023.

SOUTH BEND ECONOMIC DEVELOPMENT
COMMISSION

By: _____
President

Attest:

Secretary